

NYISO 2025 Draft Budget Overview

Cheryl L. Hussey

VICE PRESIDENT & CHIEF FINANCIAL OFFICER

Patrick Kelly

CONTROLLER & ASSISTANT TREASURER

Budget & Priorities Working Group

Other than the items noted in RED, this presentation is unchanged from the September 6, 2024, BPWG meeting.

October 2, 2024

Presentation Contents

Topic	Slide #
BUDGET HIGHLIGHTS	
Timeline for 2025 Budget Cycle	4
Budget Highlights	5-22
BUDGET SUMMARY INFORMATION & LINE ITEM DETAILS	
2024 Budget Overview	24
2025 Draft Budget Overview	25
2025 Line Item Details	26 - 37
APPENDIX A	
Key Priorities & Projects for 2025	39 - 44
APPENDIX B	
2026 – 2029 Budget Projections	47 – 53
APPENDIX C	
Peer Comparisons	55
APPENDIX D	
Potential Disposition of Funds Analysis	57

NYISO 2025 Draft Budget: Highlights

Timeline for 2025 Budget Cycle

- **September 6:** NYISO presents 2025 draft budget to BPWG
- **September 17:** BOD meeting to review high level 2025 draft budget summary
- **September 25 :** BPWG Chair to present 2025 draft budget to Management Committee
- **October 2:** BPWG meeting
- **October 14:** BOD meeting to review draft of 2025 budget
- **October 28:** BPWG meeting
- **October 31:** Management Committee to vote on 2025 budget
- **November 19:** BOD approval of final 2025 budget

Budget Highlights

In Summary:

- NYISO's draft 2025 budget totals **\$202.0M**, allocated across a forecast of **154.7** million MWh, for a Rate Schedule 1 charge/MWh of **\$1.306**. Comparatively, the 2024 budget was **\$194.8M**, allocated across **152.1** million MWh for a Rate Schedule 1 charge/MWh of **\$1.281**
- NYISO's proposed 2025 Rate Schedule 1 Revenue Requirement is an increase of **\$7.2M**, which is **3.7%** as compared to the 2024 budget
- NYISO's projected 2025 MWh throughput is an increase of **2.6** million MWh, which is **1.7%** as compared to the 2024 budget
- The resulting Rate Schedule 1 charge/MWh is an increase of **\$0.025**, which is **2.0%** as compared to the 2024 budget

Budget Highlights: Historical Budget Comparisons

(in millions, excluding RS1/MWh charges)	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Draft	2025 vs. 2024
RS1 Rev. Requirement (in \$\$)	\$168.0	\$167.4	\$169.2	\$190.0	\$194.8	\$202.0	\$7.2
Budgeted MWh	<u>154.3</u>	<u>147.3</u>	<u>150.0</u>	<u>156.7</u>	<u>152.1</u>	<u>154.7</u>	<u>2.6</u>
RS1 Rev. Requirement (\$/MWh)	\$1.089	\$1.137	\$1.128	\$1.213	\$1.281	\$1.306	\$0.025
RS1 Charge/MWh – Gross (before rebates from non-physical transactions):							
RS1 Charge/MWh: Purchasers @ 72%	\$0.784	\$0.819	\$0.812	\$0.873	\$0.922	\$0.940	
RS1 Charge/MWh: Sellers @ 28%	\$0.305	\$0.318	\$0.316	\$0.340	\$0.359	\$0.366	
RS1 Charge/MWh – Net (after estimated rebates from non-physical transactions):							
RS1 Charge/MWh: Purchasers @~68%	\$0.741	\$0.770	\$0.763	\$0.825	\$0.871	\$0.888	
RS1 Charge/MWh: Sellers @~26%	\$0.283	\$0.299	\$0.297	\$0.315	\$0.333	\$0.340	
RS1 Charge/MWh: Non-physical transactions @~6%	\$0.065	\$0.068	\$0.068	\$0.073	\$0.077	\$0.078	

Budget Highlights: 2025 vs. 2024 Revenue Requirement Changes

2025 Rate Schedule 1 Revenue Requirement	\$	202.0	
2024 Rate Schedule 1 Revenue Requirement	\$	194.8	
Increase in Rate Schedule 1 Revenue Requirement			\$ 7.2
Spending Decreases & Revenue Increases:			
Miscellaneous Revenue (<i>Rate Schedule 1 Carryover</i>)			(5.0)
Capital			(2.7)
Professional Fees			(1.3)
Miscellaneous Revenue (<i>Planning Studies & Interest Income</i>)			(1.1)
Building Services			(0.2)
Insurance			(0.1)
Other Expenses			-
Budget Facility Proceeds			-
	\$	(10.4)	
Budget Increases:			
Debt Service			7.1
Salaries & Benefits			6.3
Computer Services			3.9
Interest on Current Year Budget Debt			0.2
Telecommunications			0.1
	\$	17.6	

Budget Highlights: Key Drivers

Miscellaneous Revenue –Rate Schedule 1 (RS1) Carryover

In certain situations, the NYISO has included an assumption for a RS1 carryover from the current year into the proposed budget for the upcoming year. Any RS1 carryover has the direct effect of reducing the budgeted revenue requirement for the upcoming year. This carryover represents either an anticipated over-collection on RS1 revenues and/or anticipated under-spending vs. the approved budget for the current year.

As of **August 31, 2024**, the NYISO's over-collection on Rate Schedule 1 revenue is **\$3.4M** and the year-end projection is an over-collection of **\$4.4M**. As of **August 31, 2024**, the NYISO's budgetary underrun is **\$8.8M** and the year-end projection is an underrun of **\$10.8M**.

Given the projected level of 2024 budget surplus, NYISO is proposing a Rate Schedule 1 carryover of **\$5.0M** in the 2025 budget, reducing the impact of the 2025 cost increase drivers by approximately **\$.03 \$/MWh**. The reasonableness of this assumption will be monitored and reassessed as 2024 progresses.

Budget Highlights: Key Drivers

Capital: \$2.7M Reduction from the 2024 Budget

This decrease is driven primarily by a reduction of Capital required to support the 2025 Enterprise project portfolio as compared to 2024. Significant 2024 efforts that are not carried forward in the 2025 budget include the Windows Server Upgrade (\$1.8M), Block Storage Refresh (\$0.9M), and Optimization Solver Upgrade (\$0.5M).

These reductions are partially offset by an increase in Facilities Capital of approximately \$0.3M required to refurbish the passenger and freight elevators and replace the house generator at the Krey Blvd. location.

Budget Highlights: Key Drivers

Professional Fees (Consulting): \$1.3M Reduction from the 2024 Budget

This decrease is primarily driven by reduced consulting requirements in support of the 2025 project portfolio of \$2.0M, partially offset by increased external legal fees of \$0.3M and increased Market Monitor fees of \$0.5M.

The reduction in project portfolio related consulting is primarily due to the completion of the Demand Curve Reset, Block Storage Refresh, and Optimizer Solver Upgrade projects in 2024.

The external legal fees increase is due to increased workload related to FERC-issued Compliance Filings and use of external resources to assist the NYISO in responding to the filings, including FERC Transmission Planning Order 1920 and FERC Interconnection Reforms Order 2023.

The budgeted Market Monitor fee increase is due to a cost of living adjustment in 2025 and to more closely align the budget with historical actuals.

Budget Highlights: Key Drivers

Miscellaneous Revenue –Reimbursable Planning Studies: \$1.1M Increase from the 2024 Budget

This revenue increase is primarily due to additional billable labor hours driven by the New York City Public Policy Transmission Need (NYC PPTN) and Economic Planning Studies as part of the Coordinated Grid Planning Process (CGPP).

The NYC PPTN study revenue increase of \$0.9M is for studies planned to begin in the later part of 2024 and will continue into 2025. The 2025 draft budget reflects a full year of NYC PPTN study revenue.

The Economic Planning Studies increase of \$0.2M is resulting from work that will begin in 2024 and continue into 2025. The 2025 draft budget reflects a full year of CGPP Economic Planning Studies.

Budget Highlights: Key Drivers

Proceeds from Debt – Increased Financing Availability

NYISO's new five-year \$100.0M Budget Facility is effective beginning January 1, 2024, through December 31, 2028, and is sized to provide annual financing averaging approximately \$35.0M per year. This level of financing represents an annual increase of \$7.0M per year as compared to the prior five-year Budget Facility.

This increased financing availability enabled a \$10.0M increase in Debt Proceeds to fund the increase in the 2024 project portfolio, mitigating a significant increase to the 2024 RS1 revenue requirement.

The total cost of 2025 project portfolio is consistent with the 2024 budget and, as such, the 2025 draft budget maintains the increased level of financing at \$37.0M.

As in 2024, this level of financing mitigates the potential for a significant increase to the 2025 RS1 revenue requirement driven by the project portfolio.

Budget Highlights: Key Drivers

Debt Service Cost – Early Repayment of Outstanding Debt

The NYISO is utilizing \$3.6M of funds remaining from the 2023 budget cycle to make early repayments on outstanding debt in 2024. These early repayments will have the effect of reducing the 2025 budgeted debt service costs by \$4.1M, including interest savings, and resulting RS1 surcharge by approximately \$.03 \$/MWh.

In the 2024 budget, NYISO reduced debt service cost utilizing funds remaining from the 2022 budget cycle, totaling \$8.9M, including interest savings.

The difference in amount of early repayments assumed in the 2024 budget vs. 2025 draft budget results in an increase in debt service cost of \$4.8M, including interest savings, as compared to 2024.

In addition, principal payments on 2024 Budget Facility draws commence in 2025. The 2024 Budget Facility draws were \$10.0M higher than the prior year, resulting in increased debt service cost in 2025.

Budget Highlights: Key Drivers

Debt Service Cost – Budget Facility Fixed Interest Rate

In 2024, NYISO executed an agreement that fixes the interest rate on a portion of the 2024 - 2028 Budget Facility at an average of approximately 4.0% over the life of the loan. This action mitigates the risk to NYISO's budget of future interest rate increases through the year 2031 and reduced 2025 budgeted interest expense by approximately \$0.5M.

Budget Highlights: Key Drivers

Salaries & Benefits - Headcount & Resource Planning

The NYISO has developed a staffing resource plan in support of the 2025 project commitments, as well as the NYISO's other strategic initiatives and objectives. Staffing recommendations consider optimal use of existing headcount combined with efficient utilization of consulting services. Resource plans are developed to align with organizational and project priorities, while addressing areas of operational risk stemming from resource constraints.

The proposed new headcount requirements specifically address the need to ensure NYISO is well positioned to meet new and expanding responsibilities, has the staffing required to support the continued advancement of the NYISO's System Planning processes, has the resources required to accomplish prioritized project deliverables and to provide resources necessary to build expertise, and has a path for succession to mitigate operational risk in certain areas.

The 2025 headcount proposal includes the addition of 19 positions, primarily in System & Resource Planning and Operations.

Refer to slides 16 - 19 for additional details.

Budget Highlights: Key Drivers - Headcount

Department	New for 2025	Key Contributions from Positions
Planning - Reliability Studies	1	Planning Engineer - As evidenced by the ongoing 2024 RNA, the Reliability Studies team is identifying completely new reliability concerns and therefore requires additional resources to perform a significant amount of analysis to fully understand Reliability Needs and evaluate solutions. Additionally, this team will oversee the load interconnection process, which will be reimbursable work and relieve the Interconnection Projects team to focus on compliance with FERC Order 2023.
Planning – System Modeling	2	Planning Engineer – These positions are required to effectively address the increasing complexity of generation models for rapidly changing technology. New NERC requirements for modeling electromagnetic transients requires new skillsets, tools, and databases. In addition, these positions will support the interconnection process and scenario modeling for the Coordinated Grid Planning Process and the future FERC Order 1920 implementation.
Planning – Reliability Planning	1	Planning Engineer – This position is required to provide more effective coordination and organization of interregional efforts and dedicated engineering to support and perform study work related to interregional planning, which is expected to increase with the implementation of FERC Order 1920.
Planning – Long Term Assessments	1	Planning Engineer – This position will enable the Long-Term Assessments department to continue the needed improvements in the high-profile System & Resource Outlook study, increase the number of revenue-producing Requested Economic Planning Studies, expand the NYISO technical role in the Coordinated Grid Planning Process, and effectively adopt FERC Order 1920 by expanding the Comprehensive System Planning Process.

Budget Highlights: Key Drivers - Headcount

Department	New for 2025	Key Contributions from Positions
Planning – Transmission Integration	2	Planning Engineer – These positions will ensure that the Transmission Integration department can continue to effectively administer the Public Policy Transmission Planning Process and successfully complete the current NYC PPTN, any future PPTNs, and the added work as part of the transmission interconnection process that require engineers to perform transmission interconnection studies, much of which are revenue-generating.
Operations – Energy Security	1	Engineer – This position is required to support ongoing and future initiatives, including market design capacity accreditation projects, control room operations for fuel and security, and the development of tools and processes for energy assurance. Additionally, this role is crucial for managing extreme cold weather conditions and ensuring the fuel and energy security of the New York grid, particularly in light of the significant changes currently taking place within the New York Power System due to the Climate Leadership and Community Protection Act and environmental regulations.
Operations – System Operator Training	1	Training Coordinator – This position is required to provide guidance on the appropriate method for delivering training lessons for operational topics, whether to be delivered in classroom, simulation computer based and/or on-the-job formats. The Training Coordinator will provide real-time support to control room operations and operators at all positions with undivided attention. This position will also act as a program administrator for New Operator Training and additional desk qualifications.
Operations – Power System Operations	2	Associate Operator – These positions will address the situation where current opportunities for professional development outside the control room are limited due to required shift rotation, continued need to complete higher qualifications, and NERC training requirements. Shift coverage during off-shift rotations at the current staffing level does not allow for periods off shift for professional development. As senior control room personnel approach retirement, professional development of candidates is necessary for succession and to mitigate this operational risk.

Budget Highlights: Key Drivers - Headcount

Department	New for 2025	Key Contributions from Positions
Market Structures – Capacity & New Resource Integration Market Design	1	Market Design Specialist – This position is required to support the significant amount of project work that is anticipated to advance the NYISO’s strategic objectives and market vision. The Market Design Specialist is the technical expert in the design, modification, and implementation of market rules for the NYISO’s market products. This position will work collaboratively with internal and external NYISO stakeholders to facilitate and support the research and design of new market rules and products and develop enhancements to existing market rules and products.
Market Structures – Planning & PMO Products	1	Business Analyst – FERC, NYS, and the Climate Leadership and Community Protection Act are driving many projects through the Planning & PMO Products team. These projects are needed to meet the goals of the NYISO and its stakeholders. This position will provide project leadership that is needed for these initiatives to plan and manage each project to successfully complete its listed goals and deliverables.
Capacity Market Operations	2	ICAP Market Operations Engineer/Analyst – Significant evolutions have been identified for the capacity market, resource adequacy, and capacity accreditation. This position will augment technical staff to support market design, and guide implementation and validation of the critical software and business process changes required to achieve the desired capacity market evolutions.

Budget Highlights: Key Drivers - Headcount

Department	New for 2025	Key Contributions from Positions
Stakeholder Services	2	<p>Salesforce Administrator – Customer Experience - Salesforce projects and initiatives supporting business needs across the organization are driving the need for at least one additional full-time Salesforce Administrator, Customer Experience. Much of the new and anticipated work supports design changes for the interconnection portal and other user-based improvements and efficiencies that the Salesforce platform offers.</p> <p>Senior Stakeholder Services Liaison - The current Interconnection Planning process is experiencing monumental change to address the increased demand in proposed Planning projects. Deliverables of this process are required per the NYISO Tariff. This position is required to effectively navigate and support these technology and process changes while also accommodating the increased volume of developer and stakeholder requests.</p>
Human Resources	1	<p>Organizational Development Trainer – This position will enable an expanded and expedited focus on professional development for both leadership and individual contributors, developing high quality and innovative courses and course materials, providing enhanced reporting to track and analyze training effectiveness and increase training capacity and specialization.</p>
Information Technology	1	<p>Cloud Engineer - In support of the NYISO's IT strategic direction and expanded responsibilities of the Architecture and Cloud Engineering team, the acceleration of the migration of commercial-off-the-shelf software and custom home-grown applications, along with accompanying support needs, will require additional resources to effectively support and maintain NYISO's Amazon Web Services cloud environments.</p>

Budget Highlights: Key Drivers

Salaries & Benefits – Merit, Equity, Promotion Compensation

Salary merit adjustments are based upon factors that include:

- National surveys showing the median percentage for merit increases across the country
- The planned budget for compensation adjustments among our RTO/ISO peers
- The imperative that the NYISO continue to offer competitive salaries to attract and retain talent and address inequities between actual compensation and market compensation levels for certain positions
- The commitment to recognition of certain individuals that achieve significant milestones in their professional development and their subsequent contributions to the success of the NYISO

In developing the 2025 budget, NYISO continues to benchmark salaries considering the factors referenced above and proposes a merit pool of 4%, equity adjustment pool of 0.5% and a promotion pool of 0.5%. The 2025 equity adjustment pool has been reduced from the 2024 budget by 0.5% or \$0.4M.

Budget Highlights: Key Drivers

Salaries & Benefits – 2025 Benchmark Data

The NYISO's RTO/ISO peers have indicated preliminary planned salary increases of 4% - 6% for 2025.

National surveys showing the median number for merit increases across the country - Currently, the following sources have released their 2025 projections:

World At Work	3.9%
The Conference Board	TBD
Willis Towers Watson	3.9%
Korn Ferry	TBD
SHRM	3.5%

The pending benchmark information will be provided as soon as it becomes available.

Budget Highlights: Key Drivers

Computer Services: \$3.9M Increase from the 2024 Budget

The 2025 Project Portfolio provides for the addition of \$2.4M of subscription and maintenance costs as compared to the 2024 Project Portfolio. The Enterprise Computer Services budget is planned to increase by \$1.5M from the 2024 Budget.

The 2025 Project Portfolio increase is primarily due to software maintenance and subscriptions required for the EMS/BMS Technologies Upgrade, Windows Upgrade, and various servers and applications.

The Enterprise budget increase of \$1.5M is primarily driven by increased costs for Amazon Web Services (AWS) of \$0.6M, primarily related to increased application usage, additional subscription services in Operations to provide timely solar and gas data of \$0.2M and \$0.6M of vendor inflationary cost increases.

The NYISO's procurement process continues to evaluate cost competitiveness and savings through the evaluation of competitive bidding processes as well as the potential to enter into longer term agreements that minimize future cost increases.

NYISO 2025 Draft Budget: Summary Information & Line Item Details

2024 Budget Overview

	2024 Budget		
(\$ in millions, except RS#1/MWh)	Enterprise	Projects	Total
Capital	\$1.3	\$8.9	\$10.2
Salaries & Benefits	109.3	18.0	127.3
Professional Fees (including Legal)	21.1	13.9	35.0
Building Services	6.8	-	6.8
Computer Services	24.1	0.8	24.9
Insurance	3.9	-	3.9
Telecommunications	3.1	-	3.1
Other Expenses (BOD, Travel/Training, NPCC Fees)	4.4	-	4.4
Subtotal: Current Year Needs	\$174.0	\$41.6	\$215.6
Debt Service	29.2	-	29.2
Subtotal: Cash Budget	\$203.2	\$41.6	\$244.8
Less: Miscellaneous Revenues	(13.5)	-	(13.5)
Less: Proceeds from Current Year Budget Debt	(1.4)	(35.6)	(37.0)
Add: Interest on Current Year Budget Debt	-	<u>0.5</u>	<u>0.5</u>
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$188.3	\$6.5	\$194.8
Budgeted MWh (in millions)			152.1
Rate Schedule #1 Revenue Requirement in \$/MWh (budget)			\$1.281

2025 Budget Overview

	2025 Draft Budget		
(\$ in millions, except RS#1/MWh)	Enterprise	Projects	Total
Capital	\$1.6	\$5.9	\$7.5
Salaries & Benefits	111.0	22.6	133.6
Professional Fees (including Legal)	21.8	11.9	33.7
Building Services	6.6	-	6.6
Computer Services	26.4	2.4	28.8
Insurance	3.8	-	3.8
Telecommunications	3.2	-	3.2
Other Expenses (BOD, Travel/Training, NPCC Fees)	4.4	-	4.4
Subtotal: Current Year Needs	\$178.8	\$42.8	\$221.6
Debt Service	36.3	-	36.3
Subtotal: Cash Budget	\$215.1	\$42.8	\$257.9
Less: Miscellaneous Revenues	(19.6)	-	(19.6)
Less: Proceeds from Current Year Budget Debt	(1.6)	(35.4)	(37.0)
Add: Interest on Current Year Budget Debt	-	<u>0.7</u>	<u>0.7</u>
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$193.9	\$8.1	\$202.0
Budgeted MWh (in millions)			154.7
Rate Schedule #1 Revenue Requirement in \$/MWh (budget)			\$1.306

Line-Item Details - Capital

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Facility Improvements	\$2.7	\$4.1	\$(1.4)
Replacement of Existing Hardware	4.0	5.2	(1.2)
Software & Software Licenses (capitalized)	<u>0.8</u>	<u>0.9</u>	<u>(0.1)</u>
Total Capital Costs	\$7.5	\$10.2	(\$2.7)

Facility Improvements:

Facility improvements included within the 2025 budget include \$1.0M to upgrade the Building Management System, \$0.6M to replace the electrical distribution panels, \$0.5M to refurbish elevators at Krey Blvd., and \$0.5M to refresh Office Mechanical Systems.

Replacement of Existing Hardware:

Replacement of computer hardware fluctuates from year-to-year and is driven by technology refresh schedules, planned obsolescence by technology vendors, and the specific mix of new computer requirements identified in the current year project schedule. The 2025 budget includes \$4.0M of new hardware required for proposed projects, including \$2.1M for the Network Refresh and \$1.0M for the Operations Room Server Refresh and \$0.5M for Microsoft 365.

Software and Software Licenses (capitalized):

Replacement of computer software and software licenses fluctuates from year-to-year and is driven by a change in the number of users as well as by software required as identified in the current year project schedule. Software requirements included in the 2025 budget are primarily for services related to hardware installations for Windows operating systems, Microsoft 365, and the Video Management system.

Line-Item Details - Salaries & Benefits

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Base Salaries	\$92.1	\$87.3	\$4.8
Benefit Programs / At-Risk Compensation	34.9	33.6	1.3
Payroll Taxes	<u>6.6</u>	<u>6.4</u>	<u>0.2</u>
Total Salaries & Benefits	\$133.6	\$127.3	\$6.3

The 5% increase in Salaries & Benefits is primarily driven by:

- \$3.8M – 4.0% merit, 0.5% for compensation equity adjustments and 0.5% for promotion adjustments
- \$2.8M – Impact of higher base salaries and 19 additional FTEs on at-risk compensation and 401k plan contributions
- \$0.5M – Impact of attrition and 19 additional FTEs with prorated dates of hire
- (\$0.5M)– Decrease in recruitment and retention incentives
- (\$0.8M)– Decrease in pension contribution in 2025

See additional details on Salaries & Benefits on the following slides

Line-Item Details - Salaries & Benefits (Cont.)

Headcount Summary		
Total Authorized FTE Positions for 2024	647	
Add: New Positions for 2025	<u>19</u>	Refer to details on slides 16 – 19
Total Authorized FTE Positions for 2025	666	
Less: Assumed Vacancies	<u>(40)</u>	Based on assumed vacancy rate of 6%
Equals: Total Budgeted FTE Positions	626	

Headcount Summary By Year			
	2025	2024	Change
Total Authorized FTE Positions	666	647	19
Less: Assumed Vacancies	<u>(40)</u>	<u>(39)</u>	<u>(1)</u>
Total Budgeted FTE Positions	626	608	18

Line-Item Details - Professional Fees

(\$ in millions)	2025 Draft Budget	2024 Budget	\$ Change
Product Enhancement consultants (<i>several vendors</i>)	\$11.9	\$13.9	(\$2.0)
External legal fees	\$5.5	\$5.2	\$0.3
Market Monitoring	\$6.1	\$5.6	\$0.5
Security guards	\$2.2	\$2.0	\$0.2
Employee Benefits & Recruiting	\$1.7	\$2.0	(\$0.3)
Market design & related consulting	\$0.8	\$1.0	(\$0.2)
Reliability & Economic Planning	\$1.3	\$1.2	\$0.1
Misc. Professional Fees (all individually < \$250K)	\$0.9	\$1.1	(\$0.2)
Ranger support & enhancements	\$1.3	\$1.2	\$0.1
Information Technology & Facilities	\$1.2	\$1.0	\$0.2
External audits and Internal Audit co-sourcing	\$0.8	\$0.8	\$0.0
Total Professional Fees	\$33.7	\$35.0	(\$1.3)

Product Enhancement Consultants: The budgeted decrease is primarily driven by the current mix of consulting support required by the 2025 proposed projects (See additional details on 2025 proposed product enhancements in a separate presentation posted for the 8/27/2024 BPWG meeting).

External Legal Fees - The budgeted increase is due to the additional resource needs driven by FERC issued compliance filings.

Market Monitor Fees - The budgeted increase is required to align the budget with actual historical cost experience and cost of living increases.

Security Guards - The budgeted increase is due to cost of living increases to remain competitive in retaining qualified security guards.

Employee Benefits & Recruiting - The budgeted decrease is due to reduced need for external recruiting resulting from the impact of in-house recruiting efforts.

Market Design & Related Consulting - The budgeted decrease is due to reduced costs in research consulting outside of the project portfolio.

Misc. Professional Fees (all individually < \$250K) - The budgeted decrease is due to no planned recruitment related to board positions.

Information Technology & Facilities - The budgeted increase is driven by software support and a network platform analysis to be performed in 2025.

Line-Item Details - Building Services

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Building Services	\$6.6	\$6.8	(\$0.2)
<p>NYISO includes building service contracts, utilities, repairs and maintenance, and membership dues and subscriptions within this budget category.</p> <p>The cost of Building Services is projected to decrease by \$0.2M, primarily due to trending of current costs for utilities.</p>			

Line-Item Details - Computer Services

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Computer Services Costs	\$28.8	\$24.9	\$3.9

NYISO includes hardware and software maintenance, software licenses (non-capitalized), computer supplies, and minor equipment purchases within this budget category. The continued addition of new cloud services, hardware, software, software licenses, and technology upgrades continues to drive increases in this budget category.

- \$2.4M – Project related subscription and maintenance for server upgrades and continued expansion of M365 products.
- \$0.6M – Additional cloud-based services
- \$0.6M – Inflationary cost increases
- \$0.2M – Operations subscriptions for solar and gas data feeds

Line-Item Details - Insurance

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Insurance	\$3.8	\$3.9	(\$0.1)
<p>The cost of insurance coverage is budgeted to decrease by approximately 3% in 2025 primarily due to the NYISO's and insurance industry experience. The 2024 budget estimated an increase of 5% and final rates were lower than planned.</p>			

Line-Item Details - Telecommunications

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Telecommunications	\$3.2	\$3.1	\$0.1
The 2025 Telecommunications budget is projected to increase by \$0.1M due to increased costs related to data services and cloud services.			

Line-Item Details - Other Expenses

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Travel, Meetings & Training Costs	\$1.8	\$1.8	\$-
BOD Fees and Expenses	\$2.3	\$2.3	\$-
NPCC Fees	<u>\$0.3</u>	<u>\$0.3</u>	<u>\$ -</u>
Total Other Expenses	\$4.4	\$4.4	\$-
Other Expenses are being held flat to the 2024 budget.			

Line-Item Details - Debt Service

Annual Principal and Interest Repayments ** (\$ in millions)

Debt Facility & Repayment Period	Borrowings	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2005 KCC Bldg Mortgage & Renov. (20 yrs)	\$24.8M	\$2.0	\$1.9	\$2.0	\$2.0	\$2.0	\$1.6	\$0.9	\$0.1	\$0.0	\$0.0
Infrastructure Master Plan Mortgage (19 yrs)	\$45.0M	\$3.9	\$3.8	\$3.2	\$3.4	\$3.5	\$3.4	\$3.3	\$3.1	\$3.0	\$2.9
2017 Budget Loan (3 yrs)	\$24.7M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018 Budget Loan (3 yrs)	\$25.3M	\$8.8	\$8.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016-2019 EMS/BMS System Upgrade	\$30.0M	\$5.6	\$5.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019 Budget Loan (3 yrs)	\$26.0M	\$9.4	\$17.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Budget Loan (3 yrs)	\$26.6M	\$0.4	\$9.6	\$14.9	\$3.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Budget Loan (3 yrs)	\$28.4M	\$ -	\$0.3	\$10.2	\$17.9	\$1.5	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Budget Loan (3 yrs)	\$32.0M	\$ -	\$ -	\$0.5	\$11.7	\$14.8	\$7.1	\$ -	\$ -	\$ -	\$ -
2023 Budget Loan (3 yrs)	\$27.0M	\$ -	\$ -	\$ -	\$0.4	\$9.8	\$9.5	\$9.1	\$ -	\$ -	\$ -
2024 Budget Loan (3 yrs)	\$37.0M	\$ -	\$ -	\$ -	\$ -	\$0.8	\$13.8	\$13.2	\$12.6	\$ -	\$ -
2025 Budget Loan (3 yrs)	\$37.0M	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.7	\$13.7	\$13.2	\$12.6	\$ -
2026 Budget Loan (3 yrs)	\$35.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.6	\$12.9	\$12.4	\$11.9
2027 Budget Loan (3 yrs)	\$35.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.6	\$12.9	\$12.4
2028 Budget Loan (3 yrs)	\$35.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.6	\$12.9
2029 Budget Loan (3 yrs)	\$35.0M Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.0	\$0.6
Bank Fees	n/a	\$0.7	\$0.5	\$0.5	\$0.6	\$0.6	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Total Debt Service Payments		\$30.8	\$47.8	\$31.3	\$39.0	\$33.0	\$37.0	\$41.7	\$43.4	\$42.4	\$41.6

Approximately \$35M is expected to be borrowed on average each year during 2026 – 2029, representing the annual cost of implementing Projects, technology enhancements, and facility improvements. **Totals are not shown in 2026, 2027, 2028 and 2029 as the annual principal and interest repayments on the Budget Loan are not known at this time. **

Line-Item Details - Debt Service (Cont.)

Principal Balance Outstanding at December 31 (\$ in millions)										
Debt Facility	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2005 KCC Bldg Mortgage & Renov.	\$9.2	\$7.6	\$6.0	\$4.3	\$2.5	\$0.9	\$0.1	\$ -	\$ -	\$ -
Infrastructure Master Plan Mortgage	\$28.0	\$25.2	\$22.6	\$20.0	\$17.3	\$14.7	\$12.0	\$9.4	\$6.7	\$6.7
2017 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018 Budget Loan	\$8.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016-2019 EMS/BMS System Upgrade	\$5.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019 Budget Loan	\$17.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020 Budget Loan	\$26.6	\$17.6	\$3.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021 Budget Loan	\$ -	\$28.4	\$18.9	\$9.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022 Budget Loan	\$ -	\$ -	\$32.0	\$21.3	\$7.1	\$ -	\$ -	\$ -	\$ -	\$ -
2023 Budget Loan	\$ -	\$ -	\$ -	\$27.0	\$18.0	\$9.0	\$ -	\$ -	\$ -	\$ -
2024 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$37.0	\$24.7	\$12.3	\$ -	\$ -	\$ -
2025 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$37.0	\$24.7	\$12.3	\$ -	\$ -
2026 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$35.0	\$23.3	\$11.7	\$0.0
2027 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$35.0	\$23.3	\$11.7
2028 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$35.0	\$23.3
2029 Budget Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.0	\$35.0
Total Principal Outstanding	\$95.1	\$78.8	\$82.5	\$82.1	\$81.9	\$86.3	\$84.1	\$80.0	\$76.7	\$76.7
** Totals are not shown in 2026, 2027, 2028 and 2029 as the principal balance outstanding on the 2026, 2027, 2028 and 2029 Budget Loans are not known at this time.										

Line-Item Details - Misc. Revenue

(\$ in millions)	2025 Draft	2024 Budget	\$ Change
Total Miscellaneous Revenues	(\$19.6)	(\$13.5)	\$6.1
<p>Miscellaneous revenue is projected to increase by \$6.1M as compared to the 2024 budget due to the following:</p> <ul style="list-style-type: none">Rate Schedule 1 carryover of \$5.0MReimbursable planning study revenues are projected to increase by \$1.1M			

Appendix A:

Key Priorities & Projects for

2025

Key Priorities and Projects for 2025

Energy and Ancillary Services Market

Markets for the Future

- *Propose Market Design for Dynamic Reserves - Operating Reserve Supplier Cost Recovery*
- *Complete Development for Balancing Intermittency*
- *Develop System Design for Dynamic Reserves*

Improving Market Processes

- *Develop Functional Requirements for Operating Reserves Performance*

Financial Instruments

- *Propose Market Design for Market Purchase Hub Transactions*

Key Priorities and Projects for 2025

Operations and Reliability

Support Reliability

- *Deploy Reliability Compliance Tools Enhancements*

Capacity Market

Improving Market Processes

- *Issue Discovery for Capacity Market Structure Review*
- *Deploy LCR Optimizer Enhancements*
- *Deploy ICAP Efficiencies Efforts*

Capacity Improvements to Support Reliability

- *Deploy Demand Curve Reset*
- *Propose Market Design for Winter Reliability Capacity Enhancements*
- *Complete Study for Winter Fuel Constraints*

Key Priorities and Projects for 2025

New Resources and Technologies

Enabling New Resources and Capabilities

- *Complete Study for NYC Public Power Transmission Need*
- *Complete System Design for Internal Controllable Lines*
- *Complete System Design for FERC Order 2222 Compliance*
- *Complete System Design for Integrating Champlain Hudson Power Express*
- *Deploy efforts for Engaging the Demand Side*
- *Complete Market Design for Storage as Transmission*

Improving Market Models

- *Complete Development for Improving Duct-Firing Model*

Key Priorities and Projects for 2025

New Resources and Technologies, continued

Planning Process Enhancements

- *Deploy Interconnection Process Enhancements*
- *Complete Development for Production Cost Software Upgrade*
- *Complete Study for Coordinated Grid Planning Process*
- *Issue Discovery for FERC Transmission Planning Order Implementation*

Key Priorities and Projects for 2025

Technology Transformation and Infrastructure Investment

- *Complete System Design for Advanced Storage Modeling*
- *Deploy EMS/BMS Operational Enhancements*
- *Deploy EMS/BMS Technologies Upgrade*
- *Deploy Activu Server Upgrade*
- *Deploy Building Management System Controls Upgrade*
- *Deploy Endpoint Protection Modernization*
- *Deploy Generator Data Reporting System*
- *Deploy Hybrid Infrastructure Upgrade*

Key Priorities and Projects for 2025

Technology Transformation and Infrastructure Investment

- *Deploy Microsoft 365*
- *Deploy Midrange and Storage Upgrade*
- *Deploy NAS Storage Refresh*
- *Deploy Network Infrastructure Upgrade*
- *Deploy Office Mechanical Systems (Krey) Upgrade*
- *Deploy Windows & SQL Upgrade*
- *Deploy LFDR Upgrade*
- *Deploy Load Forecasting System Upgrade and Build Out*

Appendix B: 2025 - 2028 Draft Budget: Projections

Presentation Contents

Topic	Slide #
2026 - 2029 DRAFT BUDGETS	
Rate Schedule 1 Summary	47
Detail Budget Projections by Category	48
Major Assumptions	49
2026 Budget Summary	50
2027 Budget Summary	51
2028 Budget Summary	52
2029 Budget Summary	53

Rate Schedule 1 Summary

	BUDGET DRAFTS				
<i>(\$ in millions, except RS#1/MWH)</i>	2025 Draft	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$202.0	\$225.2	\$238.0	\$247.2	\$255.7
Budgeted MWH Hours <i>(in millions)</i>	154.7	156.9	158.2	158.8	159.4
Rate Schedule #1 Revenue Requirement in \$/MWH	\$1.306	\$1.435	\$1.504	\$1.557	\$1.604

The 2026 - 2029 budget drafts presented above are advisory only.
Actual budgets for these years will be developed and discussed with Market Participants annually.

Budget Projections By Category

	Budget Drafts				
(\$ in millions, except RS#1/MWh)	2025 Draft	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Capital	\$7.5	\$7.7	\$9.3	\$8.9	\$8.2
Salaries & Benefits	133.6	141.6	149.1	157.0	165.4
Professional Fees (including Legal)	33.7	34.4	35.1	36.1	36.8
Building Services	6.6	6.9	7.1	7.4	7.6
Computer Services	28.8	31.0	32.0	33.2	33.9
Insurance	3.8	3.9	4.1	4.2	4.3
Telecommunications	3.2	3.3	3.4	3.5	3.6
Other Expenses (BOD, Travel/Training, NPCC Fees)	<u>4.4</u>	<u>4.6</u>	<u>4.7</u>	<u>4.8</u>	<u>5.0</u>
Subtotal: Current Year Needs	\$221.6	\$233.4	\$244.8	\$255.1	\$264.8
Debt Service	<u>36.3</u>	<u>41.1</u>	<u>42.8</u>	<u>41.9</u>	<u>41.1</u>
Subtotal: Cash Budget	\$257.9	\$274.5	\$287.6	\$297.0	\$305.9
Less: Miscellaneous Revenues	(19.6)	(14.9)	(15.2)	(15.5)	(15.9)
Less: Proceeds from Current Year Budget Debt	(37.0)	(35.0)	(35.0)	(35.0)	(35.0)
Add: Interest on Current Year Budget Debt	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>
Total: Rate Schedule #1 Revenue Requirement in \$\$	\$202.0	\$225.2	\$238.0	\$247.2	\$255.7
Budgeted MWh (in millions)	154.7	156.9	158.2	158.8	159.4
Rate Schedule #1 Revenue Requirement in \$/MWh (budget)	\$1.306	\$1.435	\$1.504	\$1.557	\$1.604

Major Assumptions

Cost Category	Major Assumptions for 2025 and 2026 - 2029
Capital	<ul style="list-style-type: none"> Purchases of Hardware and Software are estimated as follows: 2025 = \$4.8M 2026 = \$5.3M 2027 = \$5.4M 2028 = \$5.4M 2029 = \$5.3M Facility Improvements are estimated as follows: 2025 = \$2.7M 2026 = \$2.4M 2027 = \$3.9M 2028 = \$3.5M 2029 = \$2.9M
Salaries & Benefits	<ul style="list-style-type: none"> Total budgeted headcount is as follows: 666 FTEs for 2025, 672 FTEs for 2026, 678 FTEs for 2027, 685 FTEs for 2028, and 692 FTEs for 2029 Estimated vacancy factor is 6.0% in 2025 – 2029 Promotion adjustment increase of 0.5% and equity adjustment increase of 0.5% Average annual merit increase of 4% Assumes \$0.8M pension plan funding in 2026 – 2029 and a 5% annual increase in health insurance cost in 2025 – 2029
Professional Fees (including Legal)	<ul style="list-style-type: none"> Assumes average annual increase of ~2.0% in consulting support (2025 – 2029) ranging from \$33.7M in 2025 to \$36.8M in 2029
Building Services	<ul style="list-style-type: none"> Assumes annual cost increases with budgets ranging from \$6.6M in 2025 to \$7.6M in 2029
Computer Services	<ul style="list-style-type: none"> Assumes annual cost increases in 2025-2029 ranging from \$28.8M in 2025 to \$33.9M in 2029
Insurance	<ul style="list-style-type: none"> Assumes ~3% increase with budgets ranging from \$3.9M in 2025 to \$5.1M in 2029
Telecommunications	<ul style="list-style-type: none"> Assumes ~3.0% increase with budgets ranging from \$3.2M in 2025 to \$3.6M in 2029
Other Expenses	<ul style="list-style-type: none"> Assumes annual increases with budgets ranging from \$4.4M in 2025 to \$5.0M in 2029
Misc. Revenue	<ul style="list-style-type: none"> The 2025 draft budget assumes a RS1 carryover of \$5.0M. The 2026 – 2029 advisory budgets assume no Rate Schedule 1 carryover and assumes annual increases in revenue primarily driven by Interconnection Study work with budgets ranging from \$14.9M in 2026 to \$15.9M in 2029
Debt Service	<ul style="list-style-type: none"> Annual average borrowings (with 3-year repayment terms) to fund capital and product enhancements are anticipated to be \$37.0M for 2025 and \$35.0M each year from 2026 - 2029 No reductions for “early payments” on debt from potential savings on annual budget or RS1 overcollections have been included

2026 Budget Summary

■ In Summary

- NYISO's draft 2026 advisory budget totals \$225.2M, allocated across a forecast of 156.9 million MWh, for a Rate Schedule 1 charge/MWh of \$1.435. Comparatively, the draft 2025 budget totals \$202.0M, allocated across a forecast of 154.7 million MWh, for a Rate Schedule 1 charge/MWh of \$1.306
- NYISO's draft 2026 advisory budget represents an 11.5% increase in Revenue Requirement from the 2025 draft budget and a 1.5% increase in projected MWh for an overall Rate Schedule 1 increase of 10.0%

■ Primary Drivers

- The primary drivers of a \$21.2M increase in the RS1 Revenue Requirement from 2025 to 2026 are as follows:
 - \$8.0M increase in Salaries & Benefits driven primarily by 4.0% annual merit compensation, 0.5% equity and 0.5% promotion adjustments, the addition of 6 incremental FTEs, a 5% increase in health insurance costs and pension plan funding of \$0.8M
 - \$4.8M increase in Debt Service primarily due to no planned early repayments of outstanding debt and the repayment of increased Budget Facility loan proceeds
 - \$5.0M reduction in Miscellaneous Revenues from the elimination of a Rate Schedule 1 carryover in 2026
 - \$2.2M increase in Computer Services for additional subscriptions related to cyber-security services and cloud-based systems
 - \$2.0M reduction in Budget Facility loan proceeds

2027 Budget Summary

■ In Summary

- NYISO's draft 2027 advisory budget totals \$238.0M, allocated across a forecast of 158.2 million MWh, for a Rate Schedule 1 charge/MWh of \$1.504. Comparatively, the draft 2026 advisory budget totals \$225.2M, allocated across a forecast of 156.9 million MWh, for a Rate Schedule 1 charge/MWh of \$1.435
- NYISO's draft 2027 advisory budget represents a 5.6% increase in Revenue Requirement from the 2026 draft advisory budget and a 0.8% increase in projected MWh for an overall Rate Schedule 1 increase of 4.8%

■ Primary Drivers

- The primary drivers of a \$12.8M increase in the RS1 Revenue Requirement from 2026 to 2027 are as follows:
 - \$7.5M increase in Salaries & Benefits driven primarily by 4.0% annual merit compensation, 0.5% equity and 0.5% promotion adjustments, the addition of 6 incremental FTEs and a 5% increase in health insurance costs
 - \$1.7M increase in Debt Service primarily due to the repayment of increased Budget Facility loan proceeds

2028 Budget Summary

■ In Summary

- NYISO's draft 2028 advisory budget totals \$247.2M, allocated across a forecast of 158.8 million MWh, for a Rate Schedule 1 charge/MWh of \$1.557. Comparatively, the draft 2027 advisory budget totals \$238.0M, allocated across a forecast of 158.2 million MWh, for a Rate Schedule 1 charge/MWh of \$1.504
- NYISO's draft 2028 advisory budget represents a 3.9% increase in Revenue Requirement from the 2027 draft advisory budget and a 0.4% increase in projected MWh for an overall Rate Schedule 1 increase of 3.5%

■ Primary Drivers

- The primary drivers of a \$9.2M increase in the RS1 revenue requirement from 2027 to 2028 is as follows:
 - \$7.9M increase in Salaries & Benefits driven primarily by 4.0% annual merit compensation, 0.5% equity and 0.5% promotion adjustments, the addition of 7 incremental FTEs and a 5% increase in health insurance costs

2029 Budget Summary

■ In Summary

- NYISO's draft 2029 advisory budget totals \$255.7M, allocated across a forecast of 159.4 million MWh, for a Rate Schedule 1 charge/MWh of \$1.604. Comparatively, the 2028 advisory budget totals \$247.2M, allocated across a forecast of 158.8 million MWh, for a Rate Schedule 1 charge/MWh of \$1.557
- NYISO's draft 2029 advisory budget represents a 3.4% increase in Revenue Requirement from the 2028 draft budget and a 0.4% increase in projected MWh for an overall Rate Schedule 1 increase of 3.0%

■ Primary Drivers

- The primary drivers of a \$8.5M increase in the RS1 Revenue Requirement from 2028 to 2029 are as follows:
 - \$8.4M increase in Salaries & Benefits driven primarily by a 4.0% annual merit compensation, 0.5% equity and 0.5% promotion adjustments, the addition of 7 incremental FTEs and a 5% increase in health insurance costs

Appendix C: Peer Comparison

Peer Comparison

(\$ in millions)					
	Revenue Requirement *			Other Information *	
ISO/ RTO ▼	2025 Revenue Req. (In \$\$) ▼	Estimated 2025 MWh throughput (In millions of MW) ▼	2025 revenue req. (In \$/MWh) ▼	Debt outstanding at 12/31/25 ▼	Authorized FTEs at 12/31/25 ▼
MISO	<i>Data Not Available at this time</i>				
PJM	<i>Data Not Available at this time</i>				
SPP	<i>Data Not Available at this time</i>				
ERCOT	\$320.4M	480.0	0.63	\$27.0M	1,021
CAISO	\$238.8M	244.0	0.98	\$130.2M	767
ISO-NE	\$311.2M	136.5	2.280	\$105.4M	701.5
IESO	\$196.5M	157.2	1.25	\$219.0M	971
NYISO	\$202.0M	154.7	1.306	\$86.2M	666

*All amounts are DRAFT, and may be subject to change as each ISO/RTO completes its 2025 budget approval process

Appendix D: Potential Disposition of Funds Analysis

Potential Disposition of Funds Analysis

Projected Funds Remaining from 2024 Budget Cycle as of 8/31/2024		For Illustrative Purposes Only - Potential Impact of Early Repayment of Outstanding Debt							
Projected Year-End Overcollection	\$ 4,400,000	\$10.20M Early Repayment - \$2.85M 2023 Budget Facility (BF); \$7.35M 2024 Budget Facility (BF)							
		<div>Debt Service without Early Repayments</div>				<div>Debt Service with Early Repayments</div>		<div>Estimated Savings from Early Repayments</div>	
Projected Year-End Underspend	\$ 10,800,000	2023 BF		2024 BF		2023 BF		2024 BF	
Projected Total Funds Remaining	\$ 15,200,000	Principal - 2025	9,000,000	12,333,333		11,850,000	19,683,333		
RS1 Carryover Proposed in Draft 2025 Budget	\$ (5,000,000)	Interest - 2025	458,667	1,341,255		380,567	881,168		538,187
Potential Funds Available for Debt Repayment	\$ 10,200,000	Total	9,458,667	13,674,589		12,230,567	20,564,501		538,187
		Principal - 2026	9,000,000	12,333,333		6,150,000	12,333,333		2,850,000
		Interest - 2026	134,865	752,242		42,532	290,663		553,911
		Total	9,134,865	13,085,575		6,192,532	12,623,997		3,403,911
		Principal - 2027	-	12,333,333		-	4,983,333		7,350,000
		Interest - 2027	-	234,841		-	80,144		154,696
		Total	-	12,568,174		-	5,063,478		7,504,696
These projections are estimates as of a point in time.		NYISO has historically made early repayments on debt that matures in the upcoming budget cycle, reducing the budgeted debt service cost in that year.							
Final budget vs. actual results will differ from these projections.		The total potential funds remaining from the 2024 budget cycle exceeds the amount that can be paid on the 2023 Budget Facility, which matures in 2026.							
		Potential early repayment of \$2.85M results in 2026 estimated debt service cost savings of \$3.4M, including interest.							
		2024 is the next Budget Facility year that early repayments can be made, which will utilize the projected balance of funds remaining of \$7.35M.							
		Potential early repayment of \$7.35M results in 2027 estimated debt service cost savings of \$7.5M, including interest.							
		Insufficient information is available to estimate potential impacts beyond the 2024 Budget Facility year.							

Our Mission & Vision



Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation

Questions?